

UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK

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	:	
UNITED STATES OF AMERICA	:	
	:	<u>STIPULATION AND ORDER</u>
-v.-	:	
	:	09 Cr. 581 (DLC)
PAUL M. DAUGERDAS	:	
	:	
Defendant.	:	
-----	X	
	:	
ELEANOR DAUGERDAS,	:	
PMD INVESTMENTS LLC, and	:	
WBLG WALWORTH LLC,	:	
	:	
Petitioners.	:	
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WHEREAS, on or about July 1, 2013, PAUL DAUGERDAS (the “Defendant”), and another, were charged in a seventeen-count Superseding Indictment, S6 09 Cr. 581 (the “Indictment”), with, among other offenses, conspiracy, in violation Title 18, United States Code, Section 371 (Count One); client tax evasion, in violation of Title 18, United States Code, Section 2, and Title 26, United States Code, Section 7201 (Counts Two through Eleven); corrupt endeavor to obstruct and impede the Internal Revenue Laws, in violation of Title 26, United States Code, Section 7212(a) (Count Thirteen); and mail fraud, in violation of Title 18, United States Code, Sections 1341 and 2 (Count Seventeen);

WHEREAS, the Indictment included a forfeiture allegation as to Counts One and Seventeen, seeking forfeiture to the United States, pursuant to Title 18, United States Code, Sections 981(a)(1)(C), 982(a)(2)(A) and Title 28, United States Code, Section 2461, of all property, real and personal, that constitutes or is derived from proceeds traceable to the commission of the

offenses charged in Counts One and Seventeen of the Indictment, including, *inter alia*, the following properties;

WHEREAS, on or about October 31, 2013, the jury returned a guilty verdict against the Defendant as to Counts One, Five through Seven, Eleven, Thirteen and Seventeen of the Indictment;

WHEREAS, on June 26, 2014, this Court entered a Preliminary Order of Forfeiture (the “Preliminary Order”) (D.E. 836) forfeiting to the Government, *inter alia*, the Defendant’s interest in the following property:

- a. All that lot or parcel of land, together with its buildings, appurtenances, improvements, fixtures, attachments and easements, located at 619 Cedar Point Drive, Williams Bay, Wisconsin 53191, more particularly described as a single-family home owned by PAUL DAUGERDAS and/or family members, either directly or indirectly, with the legal description of “Lots 14 and 15 in Cedar Point Subdivision, in Sections 5 and 6, Township 1 North, Range 17 East, in the Village of Williams Bay, according to the recorded plot thereof recorded in the Office of the Registrar of Deeds for Walworth County, Wisconsin” (the “Williams Bay Property”);
- b. Any and all United States currency, funds, or other monetary instruments on deposit at Fidelity, Account Number 03-375152, held in the name of PMD INVESTMENTS, LLC (the “PMD Fidelity Account”);
- c. Any and all United States currency, funds, or other monetary instruments on deposit at Fidelity, Account Number 246-6223261, held in the name of ELEANOR SPINA DAUGERDAS TRUST U/A 05/23/85, formerly held in account number 03-315540 in the name of Eleanor Spina Daugerdas at Fidelity (“Eleanor Fidelity Account”);
- d. Any and all United States currency, funds, or other monetary instruments on deposit at Smith Barney, Account Numbers 383-25091-15 and 383-47731-15, held in the name of PMD Investments LLC (the “Smith Barney Accounts”);
- e. Any and all United States currency, funds, or other monetary instruments on deposit at Morgan Stanley, Account Number 06-78C3Z, held in the name of PMD Investments LLC (the “Morgan Stanley Account”);

- f. Any and all United States currency, funds, or other monetary instruments on deposit at Credit Suisse, Account Number 24N-018007, held in the name of PMD Investments LLC (the “Credit Suisse Account”)¹;
- g. Any and all United States currency, funds, or other monetary instruments on deposit at Goldman Sachs & Co., Account Number 4XDG, held in the name of Eleanor L. Daugerdas (the “Goldman Sachs Account”);
- h. Any and all United States currency, funds, or other monetary instruments on deposit at Deutsche Bank, Account Numbers 5XR-087746, 5XR-122063 and 5XR-104715, held in the name of PMD Investments LLC (the “Deutsche Bank Accounts”);
- i. Any and all United States currency, funds, or other monetary instruments on deposit at Fifth Third Bank, Account Number 7233463814, held in the name of Paul M. Daugerdas By Eleanor Spina Daugerdas (the “Fifth Third Bank Account”);
- j. Any and all United States currency, funds, or other monetary instruments on deposit at North Shore Community Bank & Trust Company. Account Number 0317008390, held in the name of Eleanor L. Daugerdas (the “North Shore Account”);

(a. through j., collectively, the “Specific Properties”);

WHEREAS, on August 29, 2014, Eleanor Daugerdas, the Defendant’s wife, filed a Petition asserting an interest in the Specific Properties indicating her interest was superior to the Government as to the Specific Properties (D.E. 853);

WHEREAS, on August 6, 2018, an Amended Preliminary Order of Forfeiture as to Certain Specific Properties was entered by the Court correcting, *inter alia*, the descriptions of certain accounts identified in the Preliminary Order including the Smith Barney Accounts, Morgan Stanley Accounts, and the Fifth Third Bank Account, to the following:

- a. Any and all United States currency, funds, or other monetary instruments on deposit at Smith Barney, Account Numbers 559-153904 and 559-173459, formerly Account numbers 383-25091-15 and 383-47731-15, held in the name of

PMD Investments LLC (the “Corrected Smith Barney Accounts”);

- b. Any and all United States currency, funds, or other monetary instruments on deposit at Morgan Stanley, Account Number 844-354504, formerly Account Number 06-78C3Z, held in the name of PMD Investments LLC (the “Corrected Morgan Stanley Accounts”); and
- c. Any and all United States currency, funds, or other monetary instruments on deposit at Fifth Third Bank, Account Number 7233463814, held in the name of Paul M. Daugerdas by Eleanor Spina Daugerdas Trust (the “Corrected Fifth Third Bank Account”).

WHEREAS, on October 24, 2018, the Court entered a Second Amended Preliminary Order as to Certain Specific Properties, correcting the description of the PMD Fidelity Account and Eleanor Fidelity Account, as follows:

- a. Any and all United States currency, funds, or other monetary instruments on deposit at Fidelity, Account Number X03-375152, held in the name of PMD INVESTMENTS LLC (the “Corrected PMD Fidelity Account”); and
- b. Any and all United States currency, funds, or other monetary instruments on deposit at Fidelity, Account Number Z46-623261, held in the name of ELEANOR SPINA DAUGERDAS TRUST U/A 05/23/85, formerly held in account number X03-315540 in the name of ELEANOR DAUGERDAS at Fidelity (the “Corrected Eleanor Fidelity Account”)

(a. and b., collectively, the “Corrected Fidelity Accounts”);

WHEREAS, on December 6, 2018, Eleanor Daugerdas filed a Second Amended Petition (the “Petition”), individually and as sole member of PMD Investments, LLC and WBLG Walworth, LLC (the “Petitioners”), asserting an interest in the following assets: the Williams Bay Property, the Goldman Sachs Account, the Deutsche Bank Accounts, the Corrected Smith Barney Accounts, the Corrected Morgan Stanley Accounts, the Corrected Fifth Third Bank Account, the Corrected Fidelity Account (collectively, the “Petition Properties”) (D.E. 970);

WHEREAS, the Petition also asserted an interest in the Credit Suisse Account, the management of which was transferred from Credit Suisse to Beech Hill Securities, Inc. after entry

of the Preliminary Order of Forfeiture, and is currently held under Beech Hill Account Number YNB-0106891 (the “Beech Hill Account”);

WHEREAS, on or about August 13, 2021, the Government located an additional asset of the Defendant, specifically, any and all funds in Charles Schwab/TD Ameritrade, account number ending in -3337, held in the name of PMD Investments, LLC (the “Additional TD Account”);

WHEREAS, the Government intends to seek the forfeiture of all right, title and interest of the Defendant in the Additional TD Account as proceeds of the offenses charged in Counts One and Seventeen of the Indictment; and

WHEREAS, the Government and the Petitioners have agreed to settle the Petition without further litigation on the terms and conditions set forth below;

IT IS HEREBY STIPULATED AND AGREED, by and between the United States of America, by its attorney Damian Williams, United States Attorney, Assistant United States Attorney, Kiersten A. Fletcher, of counsel, and Petitioners by and through their counsel James R. DeVita, Esq., that:

1. The Internal Revenue Service (the “IRS”) and/or its designee shall transfer \$500,000 (the “Settlement Amount”) to Petitioners in a manner consistent with the ACH Vendor Enrollment Form to be completed by Petitioners’ counsel.
2. Petitioners hereby withdraw their Petition with respect to the Petition Properties and the Beech Hill Account, and consent to their forfeiture to the United States, with the exception of the Settlement Amount.

3. Petitioners agree to not contest the Government's forfeiture of the Additional TD Account and will not file any claims asserting an interest in the Additional TD Account or to assist any other party in asserting a claim of interest in the Additional TD Account.

4. Petitioners are hereby barred from asserting, or assisting others in asserting, any claim against the United States of America ("USA"), the IRS, the Department of Justice ("DOJ"), the U.S. Attorney's Office for the Southern District of New York ("USAO-SDNY"), or any agents and employees of the USA, the IRS, the DOJ, or the USAO-SDNY, in connection with or arising out of the seizure, restraint, and/or constructive possession of the Subject Properties, including, but not limited to, any claim that there was no probable cause to seize and/or forfeit the Subject Properties, that Petitioners are a prevailing party, or that Petitioners are entitled to additional attorney's fees or any award of interest.

5. Petitioners hereby agrees to waive all rights to appeal or otherwise challenge or contest the validity of this Stipulation and Order.

6. Each party shall bear its own costs and attorney's fees.


7. This Stipulation and Order may be executed in counterparts, each of which shall constitute an original as against the party whose signature appears on it. All executed counterparts shall be deemed to be one and the same instrument. This Stipulation and Order shall become binding when one or more counterparts, individually or taken together, bears the signature of all parties.

So ordered.
[Signature]
12/21/21

8. A facsimile or electronic image of the original signature of any party executing this Stipulation and Order shall be deemed an original signature and shall constitute an original as against the party whose signature appears in the facsimile or electronic image.

AGREED AND CONSENTED TO:

DAMIAN WILLIAMS
United States Attorney for the
Southern District of New York
Attorney for the United States

By: 
KIERSTEN A. FLETCHER
Assistant United States Attorney
One St. Andrew's Plaza
New York, New York 10007
(212) 637-2238

12/17/2021

DATE


ELEANOR DAUGERDAS

By: 
ELEANOR DAUGERDAS

12-12-2021

DATE

PMD INVESTMENTS, LLC

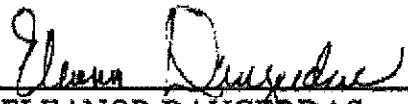
By: 
ELEANOR DAUGERDAS
Sole member

12-12-2021

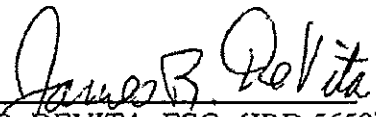
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[SIGNATURES CONTINUE ON FOLLOWING PAGE]

WBLG WALWORTH, LLC

By: 
ELEANOR DAUGERDAS
Sole member

12-12-2021
DATE

By: 
JAMES R. DEVITA, ESQ. (JRD 5659)
LAW OFFICES OF JAMES R. DeVITA, PLLC
C/O Nobile, Magarian & DiSalvo, LLP
111 Kraft Avenue
Bronxville, New York 10708
Phone: (347) 403-3131
*Attorney for Petitioners Eleanor Daugerdas,
PMD Investments, LLC, and WBLG Walworth, LLC*

Dec. 10, 2021
DATE

SO ORDERED:

HONORABLE DENISE L. COTE
UNITED STATES DISTRICT JUDGE
SOUTHERN DISTRICT OF NEW YORK